

Corporate social responsibility and development: a study of stakeholder perspectives of listed South African companies



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ABSTRACT

The issues of poverty and inequality, unemployment and the poor living conditions of employees in communities where local and multinational corporations operate have re-emerged on the development agenda as a result of growing labour unrest in South Africa, particularly in the mining sector. This article aims to contribute to the conceptualisation and understanding of corporate social responsibility (CSR), including how the philosophy of a developmental state is understood by different stakeholders. A qualitative study was conducted of the CSR initiatives of ten listed national and multinational companies. Interviews were conducted with multiple stakeholders, including the labour force, government, business representatives and community members. The findings suggest that CSR remains an underdeveloped field of enquiry in development studies, underpinned by diverse ideological perspectives among stakeholders regarding its direction and implementation. Despite this situation, an emerging consensus exists that the economic and social goals of companies are interconnected, calling for an integrated approach to CSR. Recommendations are made for rethinking CSR conceptually and strengthening CSR capacity at company level and in academic enquiry.

Keywords: corporate social responsibility (CSR), conceptualising CSR, sustainable development, developmental states, CSR and social development, CSR in South Africa

1 INTRODUCTION

Corporate social responsibility (CSR) is a growing field in South Africa with companies dedicating substantial financial and human resources to social, economic and environmental development (Triologue 2011). However, labour unrest and instability in the mining sector has

highlighted the plight of employees in communities where companies operate. In the aftermath of the labour dispute that resulted in the death of 34 miners at Marikana in 2012, public discourse once again focused on the question of what the role and contribution of corporations to sustainable development should be. Despite the growing significance of CSR in South Africa and internationally, limited research has been conducted on CSR as an emerging field of enquiry in development studies and its contribution to social and sustainable environmental development. The aim of the study is to develop knowledge about how different stakeholders understand CSR and what its role might be.

Two questions are posed in this article: first, how do corporations and the diverse range of external stakeholders with whom they engage conceptualise CSR, in other words, how do they define it, what is their understanding of it and how do they approach it? Secondly, what role does the philosophy of a development state play in promoting CSR? The answers to these questions were drawn from a dataset of in-depth interviews with respondents from ten listed companies made up of company managers; organisational stakeholders, eg trade unions; and community beneficiaries of CSR. The results of these interviews provide insight into the diversity of perspectives on CSR. Pointers are provided for rethinking CSR conceptually toward a more integrated approach to development. The article is structured as follows: a brief background is provided to CSR in South Africa and the country's development challenges, followed by theoretical approaches to CSR. Thereafter, consideration is given to the methodology underpinning the research and the results that emerged from the study. A discussion of the findings and the emerging integrated approach are considered in the concluding section as well as ways of strengthening CSR in academic enquiry as well as in practice.

2 CORPORATE SOCIAL RESPONSIBILITY AND SOUTH AFRICA'S DEVELOPMENT CHALLENGES

South Africa's history of colonialism and apartheid laid the basis for the social and economic exclusion of black people. The mining industry was the initial driver of economic development, which was built on the migrant labour system and the super-exploitation of black labour. Later, the economy diversified but economic ownership and control remained in white hands, leading to South African corporations being severely criticised for their role in creating and maintaining an unjust social order.

It was against this background and increasing resistance to apartheid that CSR began to emerge in the 1960s and 1970s. CSR is defined as 'a heterogeneous practice which is auctioned by an enterprise to integrate social, environmental, ethical and human rights concerns in their companies' operations and core strategy in close collaboration with their stakeholders with the aim to improve community well-being whilst meeting the companies' economic objective' (Hermansson & Olofsson 2008:17). Scholars and antiapartheid activists challenged the 'enlightened self-interest of businesses' in their social responsibility initiatives and called on them to acknowledge the role of CSR in serving the needs of society (Hamman & Bezuidenhout 2003; Van den Ende 2004). Philanthropy or charitable giving was largely the approach that was adopted by larger national and multinational companies in response to the growing social and political demands of employees and resistance to apartheid. Not only were corporations

criticised for benefitting from the status quo, they were also perceived to be reinforcing and maintaining apartheid. The Sullivan Code adopted in 1977 contained a set of principles to address this situation, which was also the turning point for CSR locally (Mangaliso 1997). These principles guided United States companies operating in South Africa and required them to spend up to seven percent of payroll on CSR to justify their presence in South Africa. As a result, increasing social investment was achieved by companies in communities to ensure that their workplaces complied with fair labour relations. Although South African companies were not obliged to implement this code, many companies began to do so under increasing pressure from trade unions, community organisations and opposition movements. Foundations and charitable and educational trusts were established by some of the national companies to address poverty, social inequalities and a wide range of social development issues. These initiatives were however viewed with a fair amount of suspicion from opposition movements during the apartheid era despite efforts to gain the support of corporations for their just demands. The political landscape therefore had a profound influence on the development of CSR in South Africa.

After the advent of a democratic political dispensation in 1994, a new environment was created for business. Corporations were however unsure of the general political direction of the new government led by the African National Congress (ANC) and its alliance partners that had a more communist and socialist ideology. Nevertheless, many corporations changed their CSR strategies to adapt to the new political imperatives resulting in increasing CSR and social investment programmes in the country. Corporations began to align their CSR spend with the priorities set in the Reconstruction and Development Programme (RDP) that provided the overarching social and economic development framework for the country. The key priorities identified were meeting of basic needs of the population; and the provision of water, sanitation, electricity, employment, health care, nutrition, education and training and developmental social welfare. The RDP articulated the need to harness the financial contribution of the private sector as government realised that it could not single-handedly accomplish the depth and breadth of the country's development challenges (Parliament of the Republic of South Africa 1994).

Since the first democratic elections, there have been constant shifts in macro-economic policies veering toward more market-oriented approaches such as the Growth Employment and Redistribution strategy adopted in the late 1990s with some refocusing on the development role of the state after 2000 (Edigheji 2010). Broad-based Black Economic Empowerment policies directed at increasing the ownership and control of the economy by black people were also significant in influencing contemporary CSR interventions by companies as they were required to comply with predetermined targets for CSR spend in different economic sectors. These shifts have been influenced by contestation in the ruling party and among its alliance partners such as the Congress of South African Trade Unions (Cosatu) over the direction and control of the party. Mounting pressure from civil society organisations on a range of social and economic development issues was also significant in influencing companies to grow their CSR involvement (Mushonga 2012). A continuum of policies and legislation as well as structural changes implemented over the years resulted in deliberate public action to enlist the support of the private sector for national policies to promote the transformation of South African society.

Against this background, CSR budgets have increased by 77% over the past ten years, from R2 billion to R6.2 billion (Dialogue 2011:35–36). The contribution of companies nationally to

social development is significant as CSR budgets amounted to 62 percent of total government spending on welfare services of the Department of Social Development provincially in 2008/2009 and 55 percent in 2010/2011. This decrease is due to the increasing allocation of funds by the government to welfare services (National Treasury 2009). CSR initiatives are most prominent in the mining sector, which accounts for 35 percent of CSR activities followed by financial services (18%), retail and wholesale (18%), state-owned enterprises (11%), manufacturing (10%) and information technology (8%) (Dialogue 2010, 2011). However, analysis shows that programmes appear to be concentrated in the urban provinces such as Gauteng with much smaller allocations in the poorer rural provinces of the country such as Limpopo and the Eastern Cape. Of all the programmes that are funded, education received the largest allocation followed by health and social and community development. Environmental development received the fifth largest budgetary allocation. Smaller allocations were made in rank order to enterprise development, food and agriculture, sports development, arts and culture, safety and security, and housing and living conditions (Dialogue 2010, 2011).

The above overview demonstrates how South Africa's political landscape provided the impetus for the development of CSR. South Africa has extensive government policies such as tax exemption for companies contributing to the public good, including the regulation of the environmental responsibilities of companies. Thus, strong state regulation in some areas shape CSR, which is in keeping with the country's approach to social and economic development whereby the state plays a leading role in development in collaboration with private sector partners, civil society organisations and communities (Patel 2005, 2012).

3 APPROACHES TO CSR

The dichotomy between business and societal goals is often the starting point for those who attempt to theorise about CSR. Different perspectives prevail based on whether these contending goals can be reconciled as they touch on the respective roles of the state, the market (Halal 2000) and civil society in the development process (Patel 2005, 2012). The traditional classical approach associated with market capitalism holds that the primary responsibility of a company is to use its resources to increase its profits and that companies should not act as proxy governments in meeting social and environmental needs (Levitt 1958). Although the traditional classical approach acknowledges corporate philanthropy, the commercial or business imperative is predominant. Businesses are perceived to be closed systems; they are primarily accountable to their stakeholders and any social problems that need to be resolved should be overcome by the unfettered workings of the free-market system (Carroll & Shababa 2010:85–105). These views resonate with modernisation theorists in development studies who emphasise economic outcomes as the only end goal (Huntington 2004; Pieterse 2009) leading to inequity and distorted development of the communities and societies in which companies operate.

Despite support for the classical approach, some companies do accept that they have a moral or a philanthropic responsibility to help those in need in the communities in which they operate and (Carroll & Buchholtz 2008). This acknowledgement underlies the formation of philanthropic foundations and charitable trusts of companies that support various social development activities both internationally and in South Africa. Critics of corporate philanthropy point out that the

motives of companies are based largely on their self-interest to maintain a healthy workforce and to promote their brands and reputation rather than the well-being of the communities. Moreover, CSR is not conceptualised as integral to their mandate.

A marginal role for CSR is therefore envisaged as being in keeping with the contemporary neoliberal perspectives of development that regained ascendancy in the 1980s and 1990s internationally (Mushonga 2012). In the context of economic globalisation and the growth of transnational transactions and business activities, companies are criticised for pursuing profits at the expense of people, deepening disparities, creating wealth for the benefit of a few, and externalising the environmental costs of their business activities onto future generations (Zadek 1997; Banarjee 2008).

While the Marxian approach to development is diverse, essentially, its approach is a statist intervention model concerned largely with the regulation of the negative effects of the market on society and the environment. The state is viewed as the custodian ensuring the common good of society. Some Marxists hold that the tension between the social and economic goals in a capitalist society is irreconcilable; others advocate regulatory economic, social and environmental policies to mediate the negative effects of the market. The role of trade unions as organisations of the working class is to engage in a struggle not only for improved wages and working conditions, but also for fundamental change in the economic and social arrangements of society (Mushonga 2012).

The belief that business has a socio-economic responsibility is not new. Authors such as Drucker (1998), Roberts (2002), Matten and Crange (2005) and Fig (2005) make the case in various ways for the interconnectedness of business with the wider society and the fact that communities and wider societal stakeholders provide them with the 'licence' to operate. Increasingly, companies are now viewed as open structures that are influenced by both internal and external stakeholders who influence company direction. External environmental factors also impact on the health and the prosperity of companies, for example global warming, high poverty levels and inequality, HIV and Aids, labour unrest and political and social instability. CSR therefore provides companies with the opportunity to address these externalities and respond to the wider societal expectations that companies cannot stand apart from development processes in society (Matten & Crange 2005). Although CSR initiatives may be viewed with suspicion in some countries, especially because of the poor track record of companies in Africa, their contribution as development partners in communities does not seem to be disputed. In this regard the United Nations Research Institute for Social Development (2010) notes that recent global developments have generated fundamental changes in the relations between the state, society, business and civil society leading to the recognition that corporations, through CSR, could play a role in partnership with other actors in promoting social and sustainable development. This viewpoint resonates with the idea of the 'triple bottom line', which extends the mandate of companies as contributing simultaneously to social progress (people and their human development), economic development (viable and profitable businesses produce economic growth and employment) and the long-term viability of the planet (King Committee on Corporate Governance 2002, 2009).

Based on interdisciplinary enquiry in the field of development studies, the theoretical tenets and the practice of CSR are underdeveloped. The social development approach espoused by Patel

(2005, 2012) and Midgley (1995, 2013) informed the current research. The approach seeks to link social and economic policies within an overall state-directed development process involving civil society organisations and companies in promoting both social and economic goals. The theory posits that economic growth without social benefits to society leads to inequity and distorted development. Empowerment, a people-centred view of development and pro-poor social interventions that are participatory and that involve a range of partners (including the private sector, civil society, the state, individuals, households and communities) are considered a viable way forward in addressing the distorted and inequitable nature of development under apartheid as well as in responding to contemporary challenges arising from globalisation (Patel 2005). The social development approach provides a useful way of integrating the CSR activities of companies with development theory and practice.

4 METHOD

A qualitative research design was employed to increase our knowledge and understanding (*verstehen*) of how CSR is conceptualised in listed South African and multinational companies operating in the country. In-depth interviews were conducted with key stakeholders of ten listed companies with large CSR programmes and that were reflective of a range of economic sectors. This approach allowed for the gathering of data on the meaning, perceptions and experience of company stakeholders and enabled the researchers to delve into the depth and complexities of the phenomenon being investigated (Henning 2004; Mouton 2005). Only listed companies with significant CSR budgets and programmes across a range of economic sectors based in Gauteng were selected as this is the economic heartland of the country. The selected companies had to feature on the Social Responsibility Index of the Johannesburg Stock Exchange, which has strict requirements and ensured that the CSR initiatives of the companies had been audited previously. Three of the companies were multinational companies with headquarters around the globe and the remaining seven were national South African companies. Thirty respondents were selected and interviewed. The first respondents were composed of ten company officials who were drawn from senior company executives and officials working in the Corporate Affairs division of the companies or similar departments, as well as those who were heading the companies' foundation or CSR trust. They were thus selected based on their seniority and position in the company. Secondly, the organisational stakeholders (ten) were made up of the following representatives: government (3), non-governmental (3), trade union officials from one of the main federations (2), one from a business organisation, and a representative from a tripartite forum. A list of possible respondents was compiled based on information supplied by the company and a purposive selection of the respondents was made based on their knowledge and their actual engagement with the respective companies. A good spread of economic sectors was also assured in the selection process. Thirdly, beneficiaries (ten) of CSR interventions of the companies were interviewed. Here respondents were again selected from a list of beneficiaries supplied by the company. Interviews were conducted according to interview schedules that were developed for the three stakeholder groups. Standard information was probed across all the interviews; the schedule was adjusted to probe specifically for the perspectives of the different stakeholders. The data was analysed according to Lincoln and Guba's (1994) approach to data analysis involving the use of open coding of data and thematic analysis. The different points of view of the stakeholders were compared with each other in order to identify differences and nuances

between the stakeholders following Huberman and Miles's (1994) constant comparative method. A limitation of the study is that companies were selected for their prominence in the CSR field and the findings may not reflect those companies that are not similarly engaged in this area. Also, companies may have provided socially desirable responses. The triangulation of data derived from a study of company documents and the views of the different categories of stakeholders were employed to control for this form of bias.

Two themes were analysed: first, stakeholders' perspectives regarding the manner in which CSR is defined and conceptualised, including the tensions and challenges between the different approaches; and secondly, stakeholders' views regarding the South African government's philosophy of a developmental state as a driver of CSR.

5 RESULTS: CONCEPTUALISATION OF CORPORATE SOCIAL RESPONSIBILITY

The commonly mentioned terms across the ten companies that were used to describe their activities were: 'Corporate Social Investment (CSI)'; 'Corporate Social Responsibility (CSR)'; 'Corporate Citizenship (CC)'; 'sustainability'; 'sustainable development'; and to a very limited extent the term 'philanthropy' was used, which is associated with charity, paternalism and giving based on the moral conscience of the company. The interviews and the company literature suggest the use of different terms by different companies depending on the industry sector in which it falls, or the company profile – whether national or a subsidiary of an international company. Others followed the contemporary lexicon used by companies and their stakeholders, which was more about using politically correct terms rather than a concern with goals and outcomes. Most South African companies used CSI as the preferred term and subsidiaries of foreign-owned companies subscribed to CSR and sustainable development. The different ways in which CSR was defined by the companies is set out below:

Company A (manufacturing sector): 'Corporate Social Investment (CSI) is part of the broader sustainability approach of the company primarily looking into social performance'.

Company B (mining sector): 'Sustainable development is the internalization of environmental and social responsibilities into the core business strategy'.

Company C (state-owned enterprise): 'Social Investment is good Corporate Citizenship based on the philosophy that companies have a prime accountability for the social and environmental impacts on surrounding communities'.

Company D (financial service): 'Sustainability means ... ensuring financial prosperity, stability for investors and staff, integrating social and environmental responsibility'.

In the main, companies had a generally positive view of CSR. The question of investing in CSR to obtain 'a return on investment' (profit maximisation) was mentioned by only two out of the ten companies that were in the financial services and retail sectors. These companies tailored their products to meet the needs of the target groups that were their main consumers as they argued that this approach made good business sense. For example, a respondent from the financial

services sector stated: ‘CSI programmes are focused on investing in well defined initiatives that are strategically aligned to business needs... We target those points in the system that have the potential to deliver to the community, ourselves and government’.

Despite the commitment to CSR by the majority of the companies, representatives who were interviewed struggled with how to make CSR compatible with their economic performance. A company official explained: ‘The difficulty lies in the process of quantifying the value of CSR on a company’s share price ... it is difficult to [make] tangible the value which accrues from its practice, hence the [conservative] attitude by rightist managers and extreme profiteers’. Another respondent from a mining company who emphasised the connection between profitability and the principles and values of a company commented: ‘Without profitability, no company can sustain principles and without principles no company deserves profits’.

Scepticism about CSR strategies was evident from some of the non-governmental organisations (NGOs) that were interviewed and among the trade union representatives. Respondents from both these groups were critical of the self-interest that is served by company investments in CSR. An NGO representative suggested that companies that are engaged in community development are only interested in ‘what is in it for them’ while a trade unionist from a left-wing federation captured this sentiment as follows:

Many businesses see CSR as a function of a good annual report rather than a function of making an impact on society. As long they pocket more and use two pence to show their kindness on their glossy reports, they are not worried.

The latter respondent attributed the global economic crisis to the ‘moral failure by companies [which] will destroy capitalism’. The limits of the free market system in addressing human needs were a key concern for him, a critique which resonated with the socialist stance of the trade union federation that he represented.

However, a contrasting view was expressed by a trade unionist from a more liberal union federation who argued for partnerships with business to ‘stimulate growth and in ensuring that there is redistribution in the economy and job creation ... CSR and business to us therefore means partnership with all stakeholders to ensure continued existence’.

In bringing the voices of the beneficiaries of CSR to the fore, both positive and critical perspectives were noted. On the positive side one of the respondents stated: ‘Through CSR programmes, the company is helping us change our lives for the better ... they are like a small government to us’ while another acknowledged this benefit, but expressed concern about the lack of commitment from companies to the communities in the long term. A community member reflected: ‘At community meetings people ask, for how long are they going to be here? Is it going to be the same like what happened to the other mine village?’ Another community member was sceptical as his experience was that companies would not do anything for them unless they gained something in return. ‘For example, at the start we thought their programmes to teach us how to become small businesspeople was good, but then they started saying the money we make should be banked at their branches, people started not having interest in their projects, because

we have cheap accounts at the Post Office’, which was the company’s competitor. In this case a conflict of interest was found to exist between the company’s economic and CSR strategies.

Community beneficiaries expressed ambivalence about CSR with some conceding its benefits on the one hand while, on the other hand, the role of the company was perceived to be equivalent to that of the state. This viewpoint indicated that there was an expectation of the state to provide services and that the company was stepping in where the state failed to do so. The short-term nature of CSR interventions meant that communities could not trust them entirely to support them in the long term. Mistrust and concern were expressed about the hidden agenda of the companies.

Other external stakeholders in the study had knowledge and awareness of the concepts used, but expressed concerns about the confusion that has been created by the use of different terms and meanings associated with CSR. A representative from the tripartite organisation (one of the stakeholder groups) used the term ‘corporate citizenship’ to refer to the role and contribution of companies to the greater good of the society. CSR from the perspective of the government representative was for programmes to be aligned with national development priorities and in meeting Millennium Development Goals. However, a community leader was of the opinion that the terms were confusing, especially ‘when they [stakeholders] talk about all these words and our communities really don’t care what they call it, what is important is that the company should be socially responsible’.

A variety of terms were used to describe the social responsibility activities of South African companies with CSR being used interchangeably with CSI and CC (Fig 2005). Respondents pointed to the confusion created by the use of diverse terms. The lack of agreement about the terminology appeared to be due to the value-laden nature of the terms and the different ideological interpretations associated with them. Company representatives who subscribed to a more market-oriented view of CSR were concerned with how it contributes to profit or return on investment. Although most of the companies acknowledged their contribution to the wider development and environmental goals of the society, external stakeholders such as trade unionists, NGOs, community representatives and beneficiaries were more concerned with the contribution of the companies to social, community and environmental development; growth and redistribution; and job creation.

6 PHILOSOPHY OF A DEVELOPMENTAL STATE

The government’s stated national goal to redress poverty and the developmental backlogs created by the apartheid state is one of the key drivers of CSR. The philosophy of a democratic developmental state conceives the state as a key driver and leader of economic and social development with the active participation of citizens in partnership with other societal actors such as the private sector (Edigheji 2010:14–16). The focus of developmental states according to Mkandawire (2004) is on developing human capabilities and the redistribution, production, reproduction, protection and promotion of human well-being. From this perspective, the developmental state is not only concerned with economic growth, but also with developmental social policies that are integral to the idea of such a state. Consequently, the developmental

state philosophy appears to have shaped many of the companies' CSR policies. In this regard a former trade union official commented that the 'role of the state is to ensure the delivery of social products and make sure business profits are equitably distributed to reduce the gap between the rich and the poor for the accomplishment of an egalitarian society'. A community leader thought that 'if it had not been for government we would not have had companies coming forward to genuinely assist us to move away from poverty'. Beneficiaries of CSR perceived CSR as stepping in when government failed to provide or was unable to meet needs in communities and is reflected in the comment: 'They are like a small government to us'.

Government policies, such as those governing the awarding of mining licences, require mining companies to develop social involvement plans to address community needs in areas where they operate. These companies are therefore required to engage in stakeholder engagement processes and to monitor their social and environmental impacts. In the mining sector, CSR and environmental sustainability are legal requirements which is not the case in other sectors where CSI is voluntary although subject to peer-review and public reporting requirements mandated by legislation. The state therefore plays a leading regulatory role in formulating a wider policy and legislative environment. The official interviewed in the study representing the tripartite institution (which attempts to manage the relations and interests between the state, market and society) commented as follows about its mediating role:

The reason why we formed the Tripartite institution was to fill the gap where the government, civil society, especially trade unions and business did not see eye to eye. Through co-operation of all the parties and having consensus on issues this has helped especially business to understand the importance of social involvement and how this makes it easy for a successful CSR programme.

The respondents were also clear about the leading role of government in the CSR process as reflected by an NGO official who said: 'All over the world there is an understanding that collaboration always works and the state needs to be actively involved as at the end of the day people will look at it, and to a lesser extent, to companies'. Thus the state is understood to play a leading role in development and is expected to not abrogate state responsibility. A government official drew attention to the president's vision. 'Together we can do more shows how we want everyone to join hands together for a better South Africa'. In this regard the role of the state is perceived to be that of a facilitator of collaborative effort to promote development and formulate enabling policies, some of which are voluntary while others are mandatory for companies.

The lack of state capacity is often raised in debates about the viability of a developmental state in South Africa (Edigheji 2010). In the field of social development, issues and challenges include governance issues, underfunding of welfare services and a lack of institutional capacity (Patel 2012). There is therefore increasing pressure on companies to respond to social development priorities in local communities. Company representatives also raised concerns about being embroiled in conflicts on the local level due to political volatility in communities arising from protests about service delivery failures. Alignment of CSR initiatives with the local authority's integrated development plans can also be used for political reasons by local authorities for electioneering purposes by using the companies to invest in their constituencies simply to gain political mileage. This view was exemplified in the following statements by a community member and an NGO official:

‘Now that the local elections are around the corner, our local councillor has not become very active to organise several meetings because the ANC Youth League has also appointed someone to compete against him’ (Community member).

The main problem is that this community is vulnerable to the ambitions of these office bearers and feel cheated by promises made. That is why they threatened to burn down the house of the current councillor’ (NGO official).

It is evident from the above discussion that institutional and capacity constraints of the state could be a barrier to achieving the desired development outcomes and could increase pressure on other development actors to step in where the state fails to deliver. Dubious political motives of politicians can lead communities to distrust external stakeholders and can fuel discontent and violence in communities where people’s expectations are frustrated.

7 STAKEHOLDER PERSPECTIVES OF CORPORATE SOCIAL RESPONSIBILITY APPROACHES

The research findings point to three approaches to CSR. First, is the traditional classical approach which favours free-market capitalism with a limited role for companies in social and environmental development. It is traditionally associated with philanthropy and relies solely on moral precepts. However, as companies are under increasing pressure locally and globally from external stakeholders to be more socially and environmentally accountable and responsive, there is a growing trend to view CSR as an instrumental means of obtaining higher returns on their investment. In short, what is in it for them? A second approach that was articulated by the socialist-oriented trade unionists was more akin to a statist approach to development. For them, CSR is merely an attempt by the capitalist class to co-opt the working class. Although the benefits of CSR are acknowledged, their primary concern is to bring about change in the status quo and CSR remains a site of struggle. Finally, most of the external stakeholders and company representatives in the study leaned towards a more pragmatic, accommodationist approach that conceives CSR as integral to achieving the wider social, economic and environmental development goals of society. Tangible social improvements in the beneficiary group and community well-being were envisaged. There appears to be general acceptance of the role and contribution of companies to social and sustainable development in partnership with the state, civil society and community stakeholders. For some stakeholders, particularly external stakeholders, the contribution of CSR was taken a step further to include the notion of redistribution with growth. For them, this idea is in keeping with the social goal of creating a more just and equitable society.

CSR in the South African context has been shaped by the philosophy of a developmental state and the various policy and legislative mechanisms that were created to promote employment equity, Broad-based Black Economic Empowerment, environmental management and mineral resource development, among other things. The voluntary charters adopted by different sectors in the economy – eg financial services and mining – are means of incentivising companies to align their businesses with national policies. In some sectors such as minerals, resources and environmental management, the state’s role has been a regulatory one making compulsory the contributions to community development and the involvement of communities in their

social and environmental activities. Tax incentives also encourage companies to contribute to the common good while tripartite institutions were created to play a mediating role between the state, companies and civil society. This pluralist approach to development with the state playing a leading role in partnership with other stakeholders defines South Africa's approach to CSR. While some consensus is emerging about the positive role and contribution of CSR to development in South Africa, external stakeholders expressed scepticism about the potential to reconcile the tension between the different ideologies and approaches of stakeholders. A lack of state capacity to meet needs in local communities has resulted in beneficiaries looking to companies to meet their needs. Concerns about the potential of local authority officials to use CSR for political gain has tended to fuel discontent and violence in local communities. A huge gap exists between what the state proclaims and what it actually does in practice. It is evident from the study that significant challenges exist in making such an integrated approach to CSR work in practice.

8 CONCLUSION

Despite the growth of CSR initiatives in South Africa, the study's findings suggest that there is a lack of clarity about the precise definition of the term. A diversity of approaches emerged from the study findings with different stakeholders taking different stances based on their ideologies, including notions of a developmental state. Despite these differing views, there was consensus that corporations have a key role to play in promoting social, economic and environmental development. CSR could play a significant role in development locally and in a changing global context where there is growing pressure from below for companies to be more responsive to development challenges and to be more accountable to society at large. A more nuanced approach is needed that reflects the realities of the communities in which companies operate and the intersection between the goals of companies, communities, trade unions and local authorities.

There is therefore considerable scope for rethinking CSR conceptually in the field of development studies where it has been sorely neglected. There is also need to strengthen the theory and practice of CSR as a growing field of enquiry. Education and training of CSR practitioners is needed to manage and implement social interventions that will contribute effectively to meeting the development challenges in South Africa and in Africa. This training will require close collaboration between various disciplines such as management, human resources, development economics, political science, public management, social work, community development and the social sciences. Monitoring and evaluating CSR interventions are needed to assess its impact on communities and on societal outcomes. Learning from innovative CSR interventions could also serve to strengthen CSR in practice.

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